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IN THE

Supreme Court of the United States

OCTOBER TERM

No. 74-1156

VINCENT J. FRILETTE, ET AL.,
Petitioners,

vs.

CHARLES N. KIMBERLIN, JR., ET AL.,
Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

THOMAS F. REDDY, JR.
Attorney for Respondents
330 Madison Avenue
New York, New York 10017

Of Counsel:
CLYDE C. METZGER
ROBERT J. KADEL
SIDNEY R. BRESNICK
JOSEPH J. C. RANALLI
PENNIE & EDMONDS
330 Madison Avenue
New York, New York 10017
JOHN J. SCHLAGER
P. O. Box 55
Linden, New Jersey

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Preliminary Statement

Petitioners seek review of a ruling denying discovery in an ancillary proceeding in the district court under 35 U.S.C. § 24 in connection with a patent interference presently pending in the Patent Office.

The extensive discovery sought by petitioners involved F.R.Civ.P., Rule 33, (interrogatories); Rule 30(b)(6), (production of witnesses for examination); Rule 34 (production of documents); and Rule 36 (request for admissions). The District Court denied petitioners' motion seeking the above discovery under Rule 37, F.R.Civ.P.

Petitioners took an appeal from this order to the Court of Appeals for the Third Circuit. That court, in considering the appeal, took the occasion *sua sponte* to consolidate this suit with the suit of *Duffy* v. *Barnes et al.* (No. 74-

1200 presently pending before this Court), and considered them *en banc* because they raised a common question of law, namely, whether the majority of a panel of that court had, in a *dictum* holding, properly defined the scope of discovery permissible under 35 U.S.C. § 24 in *In re Natta,* 388 F.2d 215 (3rd Cir. 1968). The Third Circuit overruled the majority decision in *In re Natta,* adopted the dissenting judge's interpretation of the statute and affirmed the district court's denial of discovery in this case and overruled the allowance of discovery in *Duffy* v. *Barnes et al.*

Summary of the Argument

Respondents believe that the decision of the court below does not present an issue for review by this Court for the following reasons:

a) There does not exist any real conflict between the circuit courts over the construction of 35 U.S.C. § 24;

b) The decision below gave full consideration to the issues and it was manifestly correct; and

c) This case does not involve an important question of law which would substantially affect the rights of the public.

The First Circuit Has Recently Adopted And Followed The Decision Of The Third Circuit In Frilette Below

It is significant to this Court's consideration of the petition to note that, on March 31, 1975, the first appellate decision to be rendered on the question of the scope of discovery in ancillary proceedings in the federal courts under 35 U.S.C. § 24 since the decision of the Third Circuit for which petitioners seek review, has adopted in all respects and followed the Third Circuit's position on the question. This appellate decision, *Sheehan* v. *Doyle et al.,* —F.2d— (1st Cir. Doc. No. 74-1318, March 31, 1975) has been re-

printed in its entirety in the Addendum annexed hereto. The position of the Court of Appeals for the First Circuit is succinctly summed up at pp. A6-A7 as follows:

> "We believe that the broad reading which courts have given section 24 over recent years goes beyond what Congress could reasonably have had in mind. The unfortunate effect is to generate self-contained discovery proceedings out of joint with the administrative proceeding to which, ostensibly, they are linked. The arguments and analysis, which we adopt and need not repeat, are well set forth in Judge Seitz's dissent in *In re Natta* and in *Frilette*. We agree that section 24 is simply a provision giving teeth, through the courts' subpoena powers, to authority conferred upon the Commissioner of Patents....
>
> "Our decision does not have the effect of precluding broad-based Federal Rules discovery in patent interferences to the extent permitted by the Commissioner, whose rules presently allow such discovery 'if justice so requires'. *See* note 1 *supra*. Judicial subpoenas that may appropriately aid in any such authorized discovery, as well as to obtain testimony and evidence for use in the proceeding in progress, remain available. Our decision merely precludes use of federal courts as alternative forums of first resort rather than as forums acting strictly in aid of the primary proceeding."

Background Of The Frilette Decision

The Third Circuit perceived error in its original opinion not only because it was inconsistent with the norms for statutory interpretation but found confirmance of its re-examination in the incongrous and undesirable results of the application of its first interpretation, results inconsistent with special issues on which jurisdiction in an interference is founded. In addition, the changes which

had since taken place both in the Federal Rules of Civil Procedure and the Patent Office Rules with respect to discovery in patent interferences made it clear that the earlier decision had not been based on sound grounds. The Third Circuit's decision overruling *Natta*, which it held "erroneously gave a broad interpretation of 35 U.S.C. § 24", was intended to correct the error which had been highlighted by these undesirable results and which supplied "a background for reconsideration, not the reason for rejection of that case." (Petition, App. B., pp. 1b and 12b).

In *Babcock & Wilcox* v. *Foster Wheeler Corp.*, —F. Supp.—, 173 U.S.P.Q. 480 (D. N.J. 1972), the district court commented on the fact that under *Natta* "the power of the district courts to order discovery under the Federal Rules of Civil Procedure by the authority of 35 U.S.C. § 24 extends beyond the scope of admissibility at the interference trial" (pp. 481-2). The district court below, in denying petitioners' requested discovery, reasoned that since *Natta* was decided prior to the 1970 amendments to the Federal Rules of Civil Procedure which eliminated the "Good Cause" requirement as a requisite to the grant of discovery under Rule 34, F.R.Civ.P., "this Court is unable to conclude that section 24 would have received a similar [broad] construction absent this safeguard." (Petition, App. D, p. 4d)

The most recent decisions as to the proper scope of ancillary discovery in patent interferences by the First and Third Circuit courts will undoubtedly have a profound influence on the courts of appeal for other circuits and any differences that might presently exist are likely to be resolved in the process of these courts' further review of the matter. Consequently, there does not presently exist a real conflict between the circuits sufficient to warrant review by this Court at this time. We believe that this is a matter which is best left for resolution by

the courts below since they are most closely involved with discovery problems and their impact on the day-to-day operations of the courts. As Mr. Justice Frankfurter said in *Maryland* v. *Baltimore Radio Show, Inc.*, 388 U.S. 912, 918 (1949) with respect to the denial of a petition for a writ of certiorari:

> "It may be desirable to have different aspects of an issue further illumined by the lower courts. Wise adjudication has its own time for ripening."

This case, as stated above, does not exhibit the conditions of "ripeness" which would warrant this Court's granting the petition for a writ of certiorari and, on that ground alone, the petition should be denied.

ARGUMENT

I. There Does Not Exist Any Real Conflict Between The Circuit Courts Over The Construction Of 35 U.S.C. § 24

This Court in exercising its discretion in accordance with Rule 19 of the Supreme Court Rules, which sets forth the considerations governing review on certiorari of decisions by the courts of appeal, has held:

> "Certiorari is granted *only* 'in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties, and in cases where there is real and embarrassing conflict of opinion and authority between the circuit courts of appeal.' *Layne & Bowles Corp.* v. *Western Well Works,* 261 U.S. 387, 393 . . ." *NLRB* v. *Pittsburgh S.S. Co.,* 340 U.S. 498, 502 (1951). (Emphasis added.)

See, also, *City of New York* v. *Saper,* 336 U.S. 328 (1949).

The conflict petitioners allege to exist between the courts of appeal concerns the Third Circuit's *en banc* decision over-

ruling its prior construction of 35 U.S.C. § 24 in a *dictum* statement by the majority of a three judge panel in *In re Natta, supra.* Respondents fail to discern any *real* conflict between the Circuits, particularly in view of the First Circuit's recent decision in *Sheehan* v. *Doyle et al.,* following in all respects the *en banc Frilette* decision.

Even if one might perceive, although there is in substance none, an appearance of conflict in one or two *prior** cases with the decisions of the First and Third Circuits, that fact alone would not raise this matter to a "conflict" sufficient for this Court to grant a writ of certiorari. The conflict between circuit courts must be real. See Stern and Gressman, *Supreme Court Practice,* (1954 Ed.) where at p. 100 it is noted: "A well-established ground for granting certiorari is the existence of a conflict between the decision as to which review is sought and that rendered by the Supreme Court or some lower court whose judgment is final in the absence of Supreme Court review. This means that there must be a *real conflict* on the same matter of law or fact, *not merely an inconsistency in dicta or in the general principles utilized.*" (Emphasis added.)

Mr. Justice Harlan discussed the factors governing review on certiorari in a speech before the Association of the Bar of the City of New York.** In addressing the "conflict" rule he said:

> "Generally speaking, nothing short of a difference of decision between two Courts of Appeals, or between a Court of Appeals and the Court of Claims, whose judgments are reviewable directly by the Supreme Court, will suffice to satisfy the 'conflict' rule. . . . Moreover, differences between the Court of

* It is significant to note that while these cases were prior to the 3rd Circuits *en banc* reexamination of the questions, they were *after* (and presumably influenced by) the opinion of the 3rd Circuit which it itself now has found to be erroneous.

** Reported at Vol. 13, The Record of the Association of the Bar of the City of New York, p. 541, 552 (1958) "Manning the Dikes".

> Appeals in two or more circuits will not be accepted as a conflict if they can fairly be accounted for on the basis of variations in the factual situations among the cases involved. Finally, even where a true conflict may be said to exist, certiorari will sometimes be denied where it seems likely that the conflict may be resolved as a result of future cases in the Courts of Appeals, or where the impact of the conflict is narrowly confined and is not apt to have continuing future consequences."

It should be noted that all of the early cases referred to in petitioners' brief to support their contention regarding an alleged conflict between the circuits, were decided prior to both the most recent changes in the federal discovery rules (in July, 1970) and the promulgation of rules permitting discovery in the Patent Office (in June, 1971.)* Each of those early cases required a showing of good cause and relevancy; and each decision made particular note of the fact that there were no means for discovery provided under the Patent Office rules. Further, they all involved either the taking of testimony or the subpoenaing and production of documents.

Further, the Third Circuit court, in choosing to bind its "self inflicted wound" by admitting its previous judge-made error, and by clarifying the law in this respect, did not thereby establish grounds sufficient to warrant the granting of a petition for a writ of certiorari because there can never be a conflict between courts of appeal where a particular prior decision has been discredited, distinguished or has lost weight as authority by reason of intervening decisions or statutory and regulatory changes. See Stern and Gressman, *Supreme Court Practice,* (1950 Ed.) pp. 101-102. *Natta* is such a decision.

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* The only exceptions being *Barnes* v. *Duffy,* BNA PTCJ No. 212. at A-3 (D. Mass. 1974) (which decision must now be controlled by *Sheehan*); and *Lomax* v. *Kihara,* 175 U.S.P.Q. 538 (D.C. D.C. 1973) (which cannot be said to be in conflict with the appellate court *Frilette* decision.)

In accordance with those principles, the better and wiser practice would now be to permit the various courts of appeal to consider the question of the true scope of 35 U.S.C. § 24 in light of the Third Circuit's reexamination and the First Circuit's recent opinion concurring in the result of that reexamination. The judicial atmosphere here makes most apposite the wisdom of Justice Frankfurter's observation that wise adjudication has its own time for ripening.

II. The Opinion Of The Court Below Is Manifestly Correct And Warrants A Denial Of Certiorari

The *en banc* majority decision of the Third Circuit in *Frilette* carefully analyzed all of the factors and background, historical and otherwise, which bear upon a determination of the proper scope of discovery under 35 U.S.C. § 24. The First Circuit in *Sheehan*, the first appellate court to rule on the matter since the *Frilette* decision was rendered, has adopted "the arguments and analysis . . . set forth in Judge Seitz's dissent in *In re Natta* and in *Frilette*." We believe, as did the First Circuit, that the *Frilette* decision is manifestly correct and, in accordance with the prior practice of this Court, the petition should be denied.

III. This Case Does Not Involve An Important Question Of Law Which Would Substantially Affect The Rights Of The Public

This Court has consistently held that it will only take for review cases which present important questions that involve significant public rights and not cases which are primarily disputes between private parties. See *Brotherhood of Carpenters* v. *United States*, 330 U.S. 395, 400 (1947); *City of New York* v. *Saper, supra*, at p. 329. See, also Stern, *Denial of Certiorari Despite a Conflict*, 66 Harv. L. Rev. 465, 470-471 (1953). The case

presented here by petitioners surely does not fall within that category.

Petitioners, in reliance on a statement in *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Co.*, 324 U.S. 806 (1945), suggest that the issues presented for this Court's review involve significant issues affecting the public interest. Petitioners strongly suggest that the possibility exists that fraudulently procured patent monopolies may issue unless full pre-trial discovery is permitted during patent interferences. Petitioners' position is incorrect on three grounds:

First, the issue of fraud is ancillary to priority and in any patent interference where a party can demonstrate that the "interests of justice" require discovery on that issue, such discovery can be obtained as provided by the Patent Office rules (37 C.F.R. § 1.287(c)). This fact was recognized by the district court in *Babcock & Wilcox Co.* v. *Foster Wheeler Corp., supra,* in which it was noted (p. 482):

> ". . . Under its new rules, the Board of Patent Interferences is empowered to order any discovery which, theoretically, can be obtained by application to a district court. . . ."

In the event fraud is proven against a party, that party will be denied priority.

Second, a Patent Office interference proceeding does not result in the "issuance of a patent" but is merely an adjunct proceeding to the issuance of a patent wherein the Board of Patent Interferences determines which of the parties is the "first inventor." *i.e.* which one is entitled to an award of priority—not whether it is or is not an invention, is or is not anticipated and is or is not enforceable.

Third, the Board of Patent Interferences' decisions are appealable. The losing party may appeal, pursuant to 35

U.S.C. § 146, either to the Court of Customs and Patent Appeals or to a federal district court. By proceeding in the district court a party will obtain a *de novo* hearing with full pretrial discovery available to him under the Federal Rules of Civil Procedure thus presenting him with a second opportunity to explore in depth any possible fraud.

Respondents' Analysis Of The Questions Presented By Petitioners

First Question

While we do not deny that 35 U.S.C. § 24 provides jurisdiction for the federal courts to aid the parties in interferences in the Patent office, it is far from clear, as stated by petitioners, that every court of appeals prior to the Third Circuit has held it to mean that such parties are entitled to obtain the full range of pretrial discovery contemplated by the Federal Rules of Civil Procedure. In fact, the only case we are aware of which has so held has been the Third Circuit *Natta* decision which was a *dictum* holding. No other court has ever gone as far as *Natta* in its construction of 35 U.S.C. § 24. The other courts which have considered the question have done so in the context of a request for the production of documents under Rule 34, F.R.Civ.P., or in connection with a subpoena duces tecum under Rule 45, F.R.Civ.P. Petitioners, however, would have this Court believe that all courts have directed the full range of federal discovery be made available in ancillary proceedings in patent interferences. This is totally incorrect.

Second Question

Part (a): This question is entirely premature. The position which the courts of appeal will take with respect to the scope of discovery permissible under 35 U.S.C. § 24 is, as we have discussed herein in our Preliminary Statement, presently fluid and subject to change as these courts

consider the matter in light of the most recent First and Third Circuit decisions. Moreover, these courts must now consider the question in light of the new Patent Office discovery rules and the elimination of the "good cause" requirement by the 1970 amendments to the Federal Rules of Civil Procedure. It is, therefore, quite likely that the courts of appeal will resolve any possibly appearing differences between the circuits as they consider this matter in the future.

The example presented by petitioners involving a party who may be subject to discovery in the Second Circuit but is himself barred from conducting discovery in the Third Circuit is no more than speculation. We are not aware that the Court of Appeals for the Second Circuit has as yet passed on this question. The most recent Second Circuit opinion on this matter of which we are aware is *Babcock & Wilcox Co.* v. *Combustion Engineering, Inc.*, 314 F.Supp. 235 (D. Conn. 1968), *aff'd per curiam*, without opinion, 430 F.2d 1177 (2nd Cir. 1968). We find it significant to note that the opinion of the district court in the *Combustion Engineering* case preceded the 1970 amendments to the Federal Rules of Civil Procedure and the promulgation of the Patent office discovery rules and specifically held that in an ancillary proceeding under 35 U.S.C. § 24 "an automatic and indiscriminate inspection" is not authorized and that "the requirements of good cause, relevance, reasonable designation of documents and the principles of privilege" still apply. (p. 237). There is no reason to believe, therefore, that the Second Circuit will not follow the *Frilette* decision as the First Circuit has in *Sheehan*. Further, the decision of the First Circuit in *Sheehan* plainly reflects that any disparity between the circuits with respect to the latitude which they will allow in ancillary discovery proceedings will be no greater than the latitude to be found among the circuits in any other discovery proceeding.

Part (b): This question has no basis in fact because the Patent Office can allow the interference parties as much discovery under its own discovery rules as it deems necessary for a just resolution of all the relevant issues before it. The parties themselves have the additional opportunity following a resolution of the interference by the Patent Office to seek the full range of discovery available under the Federal Rules in an action in the district court under 35 U.S.C. § 146.

Third and Fourth Questions

The third and fourth questions are essentially the same and will be treated together. Both of these questions deal with the propriety of an appellate court's overruling its own prior decisions, thus, purportedly violating the principles of *stare decisis,* and in the process encroaching upon Congress' areas of responsibility. There is no basis whatsoever, in fact or in law, for these questions and they are entirely inappropriate for consideration by this court.

Every appellate court not only has the inherent power, but the duty, to correct judge-made error when it recognizes it as such. Certainly, an appellate court sitting *en banc* can exercise that power with respect to a prior incorrect decision of a panel of that same court. The Third Circuit has done so, "biting the bullet" as they phrase it in the process.

Further, with respect to petitioners' contention that the Third Circuit in overruling its own prior decision somehow encroached upon the prerogatives of Congress, it is entirely unclear why Congress has declined to act with respect to the passage of proposed patent legislation. Nor can it be inferred that such inaction was *intended* to let stand specific prior decisions of the federal courts with respect to the scope of discovery under 35 U.S.C. § 24.

A. Ancillary Discovery Under 35 U.S.C. § 24 Is Not Synonymous With Ancillary Discovery Under Rules 45 and 37 F.R.Civ.P. As Petitioners Suggest

Ancillary proceedings initiated by parties in Patent Office interferences are not and can not be placed on the same footing with ancillary proceedings instituted in connection with a civil suit pending in a sister federal court. Although it is true that occasions do arise in civil suits where ancillary discovery must be conducted before an auxiliary district court, in such instances each such court acts under the same rules governing discovery. However, this is not the case in an ancillary proceeding instituted by an interference party under 35 U.S.C. § 24 in which an administrative agency is involved having rules of evidence and discovery which are different from those of the federal courts.

B. Under Petitioners' Construction of 35 U.S.C. § 24 Ancillary Discovery Would More Likely Interfere With Proceedings Before The Patent Office Rather Than Aid It

Congress has authorized the Commissioner of Patents and Trademarks, under 35 U.S.C. §§ 6 and 23 to establish its own rules and regulations for the conduct of proceedings in the Patent Office. Certainly, this administrative agency should be permitted to follow its duly promulgated Rule 287 relating to discovery in interference proceeding without unnecessary disruption.

In the present case, for example, some of the discovery sought by the petitioners herein was denied on the grounds that it was clearly premature. Judge Wright, in his district court opinion below noted that:

> "In addition, the Court agrees that under Rule 287(a) and (c), Frilette's discovery directed to Kimberlin's case in chief is premature. Until the lists and documents are served as required by Rule

287(a), the Patent Office and the Court has no way of ascertaining the necessity for additional discovery in these areas."

Conclusion

The petition for a writ of certiorari should be denied.

Respectfully submitted,

THOMAS F. REDDY, JR.
Attorney for Respondents
330 Madison Avenue
New York, New York 10017

Of Counsel:

CLYDE C. METZGER
ROBERT J. KADEL
SIDNEY R. BRESNICK
JOSEPH J. C. RANALLI

PENNIE & EDMONDS
330 Madison Avenue
New York, New York 10017

JOHN J. SCHLAGER
P. O. Box 55
Linden, New Jersey

Addendum

Addendum A—Opinion, Sheehan v. Doyle.

United States Court of Appeals

FOR THE FIRST CIRCUIT

No. 74—1318

JOHN C. SHEEHAN,

Plaintiff-Appellee,

v.

FRANK P. DOYLE, et al.,

Defendants-Appellants.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

Before COFFIN, *Chief Judge,*

MCENTEE and CAMPBELL, *Circuit Judges.*

ALBERT L. JACOBS, JR., with whom JACOBS & JACOBS, P.C., OWEN F. CLARKE, JR., and SULLIVAN & WORCESTER were on brief, for appellants.

THOMAS E. SPATH, with whom N. DALE SAYRE, MCLEAN, BOUSTEAD & SAYRE, ROBERT J. HORN, JR., KENWAY and JENNEY were on brief, for appellee.

March 31, 1975

CAMPBELL, *Circuit Judge.* This appeal concerns the authority of the district court for the District of Massa-

chusetts to order discovery in aid of a patent interference proceeding being conducted before the Board of Patent Interferences in Arlington, Virginia.

Doyle (a name used for three nonresident aliens) is engaged in an interference in the United States Patent Office against Sheehan, a Massachusetts resident. *See* 35 U.S.C. § 135. At issue is whether Doyle or Sheehan is the first inventor of processes for the production of penicillin. Doyle has applied for a United States patent, Sheehan already having been granted one covering the same subject matter.

One might suppose that the scope of discovery for use in an interference[1] would be determined by the Patent Office

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[1] An interference—an administrative proceeding in the Patent Office—follows a distinct format. After parties have preliminarily stated their positions, 37 C.F.R. §§ 1.215-1.223, and the period for filing motions has been set, *id.* §§ 1.231-1.244, the Board of Patent Interferences establishes a schedule for the parties' presentation of evidence by means of deposition, affidavit, or stipulation, *id.* § 1.251. The patent applicant who was later in time (the "junior party") is required to produce his evidence first and carries the burden of disproving the order of application. *Id.* § 1.257. Testimony is to be taken before an officer authorized to administer oaths, *id.* § 1.274, and must always be filed in the Patent Office, *id.* § 1.278. If objections are made to the witness or evidence, the evidence shall be taken away and the objection noted by the officer. *Id.* § 1.275 (d). In determining whether to receive or exclude evidence, the Patent Office will "strictly" apply "the established rules of evidence". *Id.* § 1.286.

The discovery provision for interferences, Rule 287, only requires a party to furnish his opponent with lists of things, names of witnesses, and copies of documents "upon which the party intends to rely". *Id.* § 1.287(a). The senior party—Sheehan in this case—need not provide such materials to the junior party until the junior party has completed taking his testimony. There is no discovery of right of matters which might build an affirmative case for the discovering party or which might undercut the opponent's case-in-chief. However, the Board may grant further discovery privileges, within the scope of the Federal Rules of Civil Procedure, at any time during the proceedings "upon a showing that the interest of justice so requires". *Id.* §1.287(c).

or at least coordinated with the administrative proceeding within its jurisdiction; and Congress has in fact conferred statutory authority upon the Commissioner of Patents to "establish rules for taking affidavits and depositions required in cases in the Patent Office", 35 U.S.C. § 23, and the Commissioner has adopted certain rules, *see* note 1 *supra.* But in section 24, Congress has also conferred certain powers upon district courts. Historically section 24 developed to provide for the issuance of subpoenas to compel testimony and evidence required in Patent Office interferences; but a sentence in section 24 inserted by Congress in 1952 has been construed by a number of courts also to allow parties to an interference to obtain at any time broad-based discovery in district courts in separate, self-contained proceedings.[2] *See infra.* Such dis-

[2] Section 24, 35 U.S.C. § 24, provides in its entirety, "Subpoenas, witnesses".

"The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. *The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.*

Every witness subpoenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are paid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena." [Emphasis supplied.]

covery goes on outside the ambit of the Patent Office proceeding and beyond the scope permitted without special approval under its rules.

Citing section 24 and bypassing the Patent Office's procedures, Doyle brought an independent action in the district court for the District of Massachusetts to obtain discovery from Sheehan under the Federal Rules of Civil Procedure. The court issued a subpoena duces tecum against Sheehan and, after hearing Sheehan's objections, refused to quash the subpoena and directed Sheehan to produce the requested records and appear to be deposed. In addition to the discovery of Sheehan, Doyle's counsel was able to obtain from the court subpoenae duces tecum against two organizations, also located in Massachusetts, having an interest in the Sheehan patent. Doyle's goal in these ancillary proceedings has been to discover evidence that an abandoned Sheehan patent application in 1957, while disclosing some processes, did not disclose enough to enable Sheehan to claim first invention to the processes for which Sheehan obtained the disputed patent in 1959 and as to which Doyle has a claim to invention dating from late 1957.

While Doyle's discovery was in progress, Sheehan, also invoking section 24, filed a request under Rule 34, Fed. R. Civ. P.,[3] for the production of documents from Doyle and

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[3] Rule 34(a), Fed. R. Civ. P., provides in pertinent part:

"Any party may serve on any other party a request (1) to produce and permit the party making the request, or someone acting on his behalf, to inspect and copy, any designated documents . . . or to inspect and copy, test, or sample any tangible things which constitute or contain matters within the scope of Rule 26(b) and which are in the possession, custody or control of the party upon whom the request is served. . . ."

Rule 26(b) generally allows a party to obtain discovery of "any matter, not privileged, which is relevant to the subject matter involved in the pending action". Rule 26(b) further provides, "It is not ground for objection that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence."

his assignee, Beecham Research Laboratories, Inc. (BRL), a British corporation and the real party in interest. Sheehan sought documents of tests and evaluations, made by BRL and to be introduced in interference testimony, concerning the sufficiency of the Sheehan disclosure in its abandoned 1957 application. After considering arguments for and against compelling discovery from the nonresident aliens, the district court ordered Doyle and BRL to produce those documents sought that were not privileged. From this order Doyle now appeals. Doyle objects to the order on grounds of lack of personal jurisdiction and of proper venue, as he is a nonresident alien with no ties to Massachusetts. We do not reach these arguments because we hold that section 24 does not confer jurisdiction upon the district court, acting on its own, to grant Rule 34 discovery directly, whether against a nonresident alien or a resident citizen.

A threshold question is the appealability of the district court's discovery order. A discovery order is not usually "final"—and hence not immediately appealable—as the litigation in conjunction with which the discovery is sought is still pending in the district court. 28 U.S.C. § 1291. Discovery here, however, is ancillary to the interference in Arlington, Virginia, at the Patent Office, and nothing else was pending at the time in the Massachusetts court. The instant order, therefore, concluded—at least for the moment—the business of the district court. Thus, while the usual policy against piecemeal appellate review dictates otherwise, we must regard the order as final and appealable. *See Natta* v. *Hogan,* 392 F.2d 686, 689 (10th Cir. 1968). (Indeed, Doyle has sought more discovery since this appeal was heard, and the district court's next ruling would likewise be final and appealable.)

The next issue is whether section 24 authorizes the Rule 34 discovery Sheehan seeks. When this appeal was argued,

it was accepted among the circuits that had passed on the matter that section 24 authorized discovery beyond that permitted by the Patent Office, and in particular the production of documents from a party by means of a Rule 34 motion. *See, e.g., Babcock & Wilcox Co.* v. *Combustion Engineering, Inc.*, 430 F.2d 1177 (2d Cir. 1968), *aff'g mem.* 314 F. Supp. 235 (D. Conn. 1968); *In re Natta*, 388 F.2d 215 (3d Cir. 1968); *Natta* v. *Hogan*, 392 F.2d 686 (10th Cir. 1968); *Natta* v. *Zletz*, 379 F.2d 615 (7th Cir. 1967); *Gladrow* v. *Weisz*, 354 F.2d 464 (5th Cir. 1965). However, subsequent to argument the Third Circuit ruled, *en banc*, that section 24 merely confers upon district courts jurisdiction to issue, in aid of the interference, subpoenas as provided in Fed. R. Civ. P. 45(a), (b), (c), (d) (2) & (3), and (f).[4] *Frilette* v. *Kimberlin*, 508 F.2d 205 (3d Cir. 1975) (*en banc*). The practical effect of this ruling is to permit the compelling of testimony and evidence by the district court which is sought at the proper stage of the Patent Office proceeding, and also to allow the issuance of subpoenas in aid of discovery as authorized by the Patent Office but not otherwise. *See* note 1 *supra.*

The Third Circuit's decision was a reversal of its position in *In re Natta, supra*, and a vindication of Judge (now Chief Judge) Seitz's dissenting opinion in the earlier case. 388 F.2d at 221-23. Unlike that circuit, this circuit has never previously passed on the matters.

We believe that the broad reading which courts have given section 24 over recent years goes beyond what Congress could reasonably have had in mind. The unfortunate effect is to generate self-contained discovery proceedings out of joint with the administrative proceeding to which,

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[4] Rule 45(d)(1), Fed. R. Civ. P., authorizes the compelling of discovery within the scope of Rule 26(b), *see* note 3 *supra*, and therefore is inconsistent with the existing Patent Office discovery rules for interferences.

ostensibly, they are linked. The arguments and analysis, which we adopt and need not repeat, are well set forth in Judge Seitz's dissent in *In re Natta* and in *Frilette.* We agree that section 24 is simply a provision giving teeth, through the courts' subpoena powers, to authority conferred upon the Commissioner of Patents. Such a reading is consistent with the fact that section 23 confers general authority upon the Commissioner of Patents to promulgate rules with respect to depositions and affidavits; with the tenor of section 24; and with the absence of evidence that any sweeping substantive change was intended in the 1952 redraft of section 24 which introduced the sentence in question. If Congress had intended to erect a free wheeling discovery vehicle totally outside the control of the Patent Office, one would have expected some inkling in the legislative history.

Our decision does not have the effect of precluding broad-based Federal Rules discovery in patent interferences to the extent permitted by the Commissioner, whose rules presently allow such discovery "if justice so requires". *See* note 1 *supra.* Judicial subpoenas that may appropriately aid in any such authorized discovery, as well as to obtain testimony and evidence for use in the proceeding in progress, remain available. Our decision merely precludes use of federal courts as alternative forums of first resort rather than as forums acting strictly in aid of the primary proceeding.

Sheehan contends that the effect of a decision following the Third Circuit would be to insulate nonresident aliens from ancillary discovery, since a subpoena cannot be served upon them. But ancillary judicial discovery is unnecessary as to parties, since the Commissioner has the power to compel testimony or evidence by the threat of dismissing the application. *See* 37 C.F.R. § 1.259. The Patent Office has no power to compel the attendance of nonparty witnesses or to enforce the production of evidence from them, and this

need was apparently the main reason that Congress conferred ancillary jurisdiction upon federal courts, with their subpoena power and threat of contempt.

It may nevertheless seem unfair in this case to deny Sheehan discovery against Doyle after Doyle has had the advantage of extensive discovery from Sheehan under section 24.[8] However, we are not inclined to impose our notions of fairness on the agency which has been delegated primary authority to control the interference. Moreover, evidence not taken in accordance with the Patent Office rules will not be considered in determining the interference, 37 C.F.R. § 1.271, and in any event a party aggrieved may litigate through *de novo* proceedings in the district court, 35 U.S.C. § 135.

Reversed. No costs.

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[8] Even during the junior party's testimony period, the junior party may not plunge into the senior party's direct case by issuing subpoenas to the senior party. Such a course would be contrary to the set order of taking testimony.